

August 11, 2005

## 2005 Outlook for Shipments of Digital Cameras (Revised)

Camera & Imaging Products Association (CIPA)

| (Unit: thousand units) |               | 2005 Outlook                  |                  |                          |                  |
|------------------------|---------------|-------------------------------|------------------|--------------------------|------------------|
|                        |               | Before revision (Jan release) |                  | After revision (current) |                  |
|                        |               | Quantity                      | Year-on-Year (%) | Quantity                 | Year-on-Year (%) |
| Total Shipment         | <b>72,200</b> | <b>120.8</b>                  | <b>64,800</b>    | <b>108.4</b>             |                  |
| Domestic shipments     | 8,700         | 101.8                         | 8,400            | 98.3                     |                  |
| Exports                | 63,500        | 124.0                         | 56,400           | 110.1                    |                  |

| (Unit: thousand units) |               | 2004 Actual  |                  | January-June 2005 Actual |                  |
|------------------------|---------------|--------------|------------------|--------------------------|------------------|
|                        |               | Quantity     | Year-on-Year (%) | Quantity                 | Year-on-Year (%) |
| Total Shipment         | <b>59,766</b> | <b>137.7</b> | <b>27,937</b>    | <b>105.5</b>             |                  |
| Domestic shipments     | 8,547         | 101.3        | 3,909            | 98.9                     |                  |
| Exports                | 51,219        | 146.5        | 24,028           | 106.7                    |                  |

Note: Some aggregates may not equal the sum of individual figures due to the effect of rounding.

Growth in shipments of digital cameras for 2005 was initially forecast at 20.8% at the beginning of the year. However actual growth for the first six months has remained at 5.5%.

Given these circumstances, in July, the CIPA re-examined the full-year forecast for shipments in 2005, and determined the revised outlook as per the above table. The outlook for total shipments is 64.8 million units, which is 108.4% on last year's actual figures.

The variance between the outlook forecast at the beginning of the year and the current revised outlook can be attributed to the following two factors:

- (1) The initial outlook was based on actual results for Jan-Oct 2004, and it appears that these figures were the result of a rapid increase in popularity. At that stage, it was not possible to predict the slump in the growth rate that was to follow in the Dec-Mar period.
- (2) With a year-on-year growth rate of 107%, the second quarter this year has rallied somewhat on the first quarter which posted 104%. However, with the high proliferation that digital cameras have already achieved, we have determined that any significant turnaround during the second half of this year is highly unlikely.

\* Outlook for silver halide cameras

Turning to silver halide cameras, actual results have been marginally down on the forecasts issued in the outlook at the beginning of the year. We have determined that the full-year results will also be slightly lower than the initial forecast.